

05-0201-68

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1 March 1968

## MEMORANDUM FOR THE RECORD

25X1A SUBJECT: Project [REDACTED]

25X1A 1. Generated by an oral proposal from Mr. [REDACTED] that Project [REDACTED] (prospectus attached) be transferred from CI Staff to the Office of Training, a meeting to discuss the proposition's feasibility was held in the office of the DD/S on 1 March. Attending were Messrs. Bannerman, Coffey, Richardson, [REDACTED] and [REDACTED]

25X1A

Background

25X1A 2. [REDACTED] chief of CI Staff's [REDACTED] patron, will be retiring 30 April and has proposed three alternatives to the DD/P in reference to the project's future in view of a deteriorating situation in FY 1968 due to a student cutback wrought by [REDACTED] appropriation reduction and because of considerably less business than previously estimated in support of Agency activities. The alternatives are: (1) Retain the Project in its present status at minimum cost and staffing; (2) Transfer the Project to OTR with the possibility there would be more utilization for covert training purposes; or, (3) Close out the Project because it apparently is not providing sufficient support to the Clandestine Services. The DD/P returned the memorandum to C/CI Staff asking him to discuss a possible transfer with OTR.

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Discussion

25X1A 3. Mr. Richardson stated that members of his staff -- in their conversations with the Project's financial adviser, [REDACTED] and after an inspection of Project files -- determined that, despite hopes and efforts of CI Staff to make the Project more useful and valuable to the CS and despite a Book Dispatch from the DD/P to all field stations in late 1966 encouraging use of the Project as a potential agent asset, these plantings have not borne fruit. Moreover, with an admitted deterioration thus far in FY 1968, no one can predict how much further overt business from [REDACTED] will be reduced, how much more equipment sales will drop, or how much greater Agency funding would have to be increased in the future.

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25X1A      4. Mr. Richardson recommended that the DD/S not accept transfer of Project [REDACTED] for the following reasons:

25X1A      a. Since [REDACTED] is an overtly non-official enterprise, there would seem to be no secure means for relating its activities and facilities to covert training. By its very nature, [REDACTED] precludes a tie-in with OTR's covert training programs and its personnel.

25X1A      b. If the Clandestine Services are having difficulty in promoting efficient use of this project -- one of their own -- then OTR would presumably find itself in the peculiar position of promoting [REDACTED] programs to those same Agency elements which have already demonstrated an apathy.

25X1C      c. Training is an ancillary reason for the Project's existence -- the training only provides an [REDACTED] -- and therefore is not necessarily a function of the training mission.

25X1C      d. If the Project continues its decline (even continuation in its present form indicates a funding struggle) then OTR, or the Support Directorate, would be faced with the problem of liquidating the Project, absorbing at least two GS-15 staff agents with no Agency experience, and resettling several long-term contract employees.

25X1A      5. Mr. Bannerman asked Mr. Coffey to communicate with Mr. [REDACTED] and indicate DD/S's declination of the Project transfer proposal in the belief that the Project is inconsistent with OTR's basic mission, and that it would be inappropriate to assume a project basically designed for the Clandestine Services' substantive action.

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[REDACTED]  
Chief, Plans & Management, OTR

Att.

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